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Cote d'Ivoire

Coffee

Semi-Annual

2004

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Report Highlights:

Post's forecast of 2004/2005 production continues to be down due to the lingering political situation and the depressed world market price. Post has revised upwards its estimate of the 2003/2004 production and the 2004/2005 forecast to reflect informal exports from the rebel-held territory to neighboring West African countries. Green coffee exports increased in 2003/2004 due to farmers' sale of coffee cherries that have been held on farm for several years. In addition, exports have been favored by the government decision to allow black bean coffee exports.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Semi-Annual Report
Abidjan [IV1]
[IV]

Executive Summary

Post's forecast of 2004/2005 production continues to be down due to lingering unstable political situation and the depressed world market prices. Good rains in early 2004 have favored satisfactory cherries development in spite of the fact that coffee farms were unattended and abandoned in the bush. The tense political situation characterized by series of ethnic clashes in the West and Southwest and the occasional confrontation between government and rebel forces continues to exasperate the state of neglect. Despite the large amount of cherries on the trees, the low producer price will not allow most of the crop to be harvested as farmers considered such operation unprofitable.

Field travels in the producing areas in early November 2004, indicate that there was a large amount of cherries on trees ripe for harvest. However, with the exception of few farms cleared of weeds in preparation for harvest, the rest was covered of bushes. Coffee harvesting and marketing period usually start in late December or early January after cocoa harvesting and marketing activities have gone down. Due to the high labor cost, many farmers have resorted to hiring contract harvesters. They are groups of young men who roam from farm to farm and harvest in groups on piecemeal basis. This affords farmers opportunity to harvest a portion of their crop according to their means and market demands. The rate is low and is fixed at per day rate of 1,200 –1,500 F CFA per person. The normal rate of a farm laborer is 150,000 F CFA per year, excluding food and health services.

Post has revised upwards its estimate of 2003/2004 production and the 2004/2005 production forecast to reflect exports from rebel-held zones to neighboring West African countries such as Guinea and Liberia. The West of Cote d'Ivoire is a major coffee producing area, but part of this region is rebel-held. Farmers encounter difficulties and incur many expenses selling their products to the government-held areas. With the prevailing depressed farm prices, farmers find it worthwhile to sell their products to buyers from neighboring countries, which flock to the region and provide relatively better prices. About 100,000-160,000 bags of green coffee are taken out of this region in this manner.

In 2003/2004 marketing year, the indicative farm prices published by the BCC (the farmers' marketing board) was 225 F CFA/kg. However, actual farm prices received by farmers ranged from 125 F CFA/kg to 230 F CFA/kg. The price situation is expected to remain unchanged in 2004/2005 marketing year.

Exports are expected to fall in 2004/2005 due to falling supply level. Exports increased in 2003/2004 as many farmers decided to market most of their coffee cherries held on farm for long period of time because prospects for better prices have eluded them. In addition, exports have been favored by the government's decision in March 2003 to lift the ban on the export of black coffee and broken coffee beans. Normally, green coffee with more than 10 percent foreign materials are not acceptable for exports. There is limited market for this type of coffee and the farm price is subject to discount rate depending on the degree of foreign material presence. This decision to allow exports of low quality coffee was intended to raise funds to finance rehabilitation of coffee farms destroyed during the war, mainly in the West. This assistance program will also cover the provision of computer equipments, decorticating machines and quality control apparatus to cooperatives. In 2002/2003, about 216,567 bags of black coffee beans and 38,367 bags of broken coffee were exported as against 86,133 bags and 27,283 bags respectively in 2003/2004. This program will continue in the 2004/2005 marketing year.

Exchange Rate: U.S. \$1:00 = 506 F CFA on November 19, 2004.

PSD Table

Country

Commodity Coffee, Green

| | (1000 HA)(MILLION TREES)(1000 60 KG BAGS) | | | | | |
|------------------------|---|----------|----------|----------|---------------|----------|
| | 2003 | Revised | 2004 | Estimate | 2005 | Forecast |
| | USDA | Post | USDA | Post | USDA Official | Post |
| | Official | Estimate | Official | Estimate | [Old] | Estimate |
| | [Old] | [New] | [Old] | [New] | | [New] |
| Market Year Begin | | 10/2002 | | 10/2003 | | 10/2004 |
| Area Planted | 1492 | 1492 | 1490 | 1490 | 1485 | 1485 |
| Area Harvested | 950 | 950 | 850 | 850 | 750 | 750 |
| Bearing Trees | 1630 | 1630 | 1657 | 1657 | 1675 | 1675 |
| Non-Bearing Trees | 243 | 243 | 215 | 215 | 197 | 197 |
| TOTAL Tree Population | 1873 | 1873 | 1872 | 1872 | 1872 | 1872 |
| Beginning Stocks | 2786 | 2786 | 2283 | 2318 | 1526 | 1149 |
| Arabica Production | 0 | 0 | 0 | 0 | 0 | 0 |
| Robusta Production | 2019 | 2119 | 1444 | 1610 | 1350 | 1550 |
| Other Production | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL Production | 2019 | 2119 | 1444 | 1610 | 1350 | 1550 |
| Bean Imports | 0 | 0 | 0 | 0 | 0 | 0 |
| Roast & Ground Imports | 0 | 0 | 0 | 0 | 0 | 0 |
| Soluble Imports | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL Imports | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL SUPPLY | 4805 | 4905 | 3727 | 3928 | 2876 | 2699 |
| Bean Exports | 2025 | 2090 | 1750 | 2432 | 1600 | 1800 |
| Roast & Ground Exports | 4 | 4 | 4 | 2 | 4 | 3 |
| Soluble Exports | 428 | 428 | 380 | 278 | 360 | 360 |
| TOTAL Exports | 2457 | 2522 | 2134 | 2712 | 1964 | 2163 |
| Rst,Ground Dom. Consum | 32 | 32 | 33 | 33 | 34 | 34 |
| Soluble Dom. Consum. | 33 | 33 | 34 | 34 | 35 | 35 |
| TOTAL Dom. Consumption | 65 | 65 | 67 | 67 | 69 | 69 |
| Ending Stocks | 2283 | 2318 | 1526 | 1149 | 843 | 467 |
| TOTAL DISTRIBUTION | 4805 | 4905 | 3727 | 3928 | 2876 | 2699 |

Export Trade Matrix Country Commodity Coffee ty , Green

Time Period Jan-Dec

Units: 60 kg
bags

Exports for: 2002

2003

U.S. 20867

U.S. 21833

Others

Others

| | | | |
|----------|--------|----------|--------|
| Algeria | 873333 | Algeria | 929067 |
| Belgium | 451117 | France | 381100 |
| France | 435000 | Italy | 176083 |
| Italy | 198983 | Belgium | 142067 |
| Spain | 199000 | Spain | 120117 |
| Morocco | 71371 | Morocco | 56900 |
| Portugal | 71083 | Portugal | 56083 |
| Poland | 47850 | Germany | 12233 |
| Tunisia | 33617 | Poland | 12117 |
| Germany | 27667 | Tunisia | 11733 |

Total for 2409021

1897500

Others

Others not 48633
Listed

41809

Grand Total 2478521

1961142